



Indiana Economic Development Corporation

One North Capitol, Suite 700
Indianapolis, Indiana 46204
Tel 317.232.8800
Fax 317.232.4146
www.iedc.in.gov

December 11, 2006

Beth Krogel Roads
Assistant General Counsel
Indiana Utility Regulatory Commission

Dear Ms. Roads:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana Utility Regulatory Commission ("IURC") and contained in LSA Document 06-429, which adds 170 IAC 7-1.4 to require customer notification when a telecommunications service provider communicates with a residential customer about changing from basic to nonbasic telecommunications services.

The small business impact statement provided for the rule indicates that the rule changes would potentially affect a maximum of sixty-two (62) small businesses in the telecommunications industry. Nine (9) of these small businesses have withdrawn from the IURC's jurisdiction and would not be subject to the rule, resulting in fifty-three (53) small businesses being affected by the rule. The rule requires that service providers give notice to customers of certain implications associated with switching from basic to nonbasic telecommunications service at the same time, rather than at a subsequent time, the service provider communicates with the consumer about switching from basic to nonbasic service. The rule is intended to provide an additional level of consumer protection. Additionally, the rule contains language for the notice described above that is acceptable to the IURC, reducing uncertainty for entities affected by the rule. The economic impact associated with the rule consists of costs attributable to complying with the rule by providing the required customer notice. Seventeen (17) rural telecommunications providers have estimated that the aggregate annual cost of complying with the rule in this regard would be less than \$5,000 for all seventeen (17) entities. By this estimate, the total annual cost for all 53 affected entities would be approximately \$15,000 [\$5,000 X 3] per year for the two (2) years this rule will be in effect. This rule does not impose any reporting costs on the affected small businesses.

Importantly, the statute authorizing this rule [IC 8-1-2.6-4.1(b)] expressly requires the customer notification as stated in this rule. The IEDC does not object to the economic impact associated with the proposed rule changes. The proposed rule helps support a base level of consumer protection and the changes included in the rule are required by statute. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,



Ryan Asberry
Director – Research
Indiana Economic Development Corporation